



## Deposit Insurance Coverage for Ontario Credit Unions

The role of the Deposit Insurance Corporation of Ontario (DICO) is to protect depositors of Ontario credit unions. Deposit insurance is part of a comprehensive protection program in all Ontario credit unions which is backed by provincial legislation. DICO is an agency of the Province of Ontario established in 1977 and has responsibilities for ensuring its insured institutions operate in accordance with sound business and financial practices. All credit unions in Ontario are required to display the official sign of DICO which confirms that deposits are insured.



**Protection. Security. Stability.**

### Further information

on deposit insurance coverage and copies of this brochure can be obtained by contacting:



Deposit Insurance  
Corporation of Ontario  
Société ontarienne  
d'assurance-dépôts

Internet site:

<http://www.dico.com>

E-mail: [info@dico.com](mailto:info@dico.com)

Toll free number: 1-800-268-6653

4711 Yonge Street, Suite 700

Toronto ON M2N 6K8

Tel.: (416) 325-9444

FAX: (416) 325-9439

*Ce document est également disponible en français.*

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### What You Need to Know

#### What Happens if a Credit Union Amalgamates with Another Credit Union?

If an amalgamation of credit unions results in your total insurable deposits with the new credit union exceeding the \$100,000 maximum, special rules apply:

- Term deposits remain insured until maturity;
- Demand deposits remain insured until withdrawn;
- All deposits in registered savings plans remain fully insured until withdrawn.

#### What Happens if a Credit Union Goes Out of Business?

- DICO writes to the insured depositors advising them of how and when they will receive payment;
- Payments for deposits are made as soon as possible or upon maturity;
- The payment includes principal and interest up to \$100,000 for each separately insured deposit account, except for deposits in registered savings plans which are fully insured;
- Loans outstanding will continue until paid.

#### Who Pays for Deposit Insurance?

Credit unions pay for deposit insurance protection through premiums paid to DICO.

#### What Is the Deposit Insurance Reserve Fund?

DICO maintains a deposit insurance reserve fund to cover potential claims. A review of this fund is undertaken annually by DICO's board of directors to ensure that it remains within an appropriate range. In addition to this fund, DICO has access to a line of credit backed by the Government of Ontario.

# Your deposits are protected

- **Unlimited coverage for registered savings plans**
- **Other eligible deposits up to \$100,000**

## What's Covered, What's Not?

### What does DICO insure?

DICO insures Canadian currency deposits payable in Canada including:

- savings and chequing accounts;
- term deposits including index-linked term deposits;
- guaranteed investment certificates;
- deposits in registered savings plans (e.g. RRSP, LIRA, RRIIF, LIF, RESP, RDSP, TFSA);
- to be eligible for deposit insurance protection, **you must be a member of a credit union.**

### What does DICO *NOT* insure?

DICO does **NOT** insure:

- mutual funds;
- membership shares;
- patronage, investment or preferred shares issued by a credit union;
- foreign currency deposit accounts;
- contents of safety deposit boxes;
- securities held for safekeeping.

## What Is the Maximum Insurance Protection?

### Basic Protection

The maximum basic protection for eligible deposits is \$100,000 (principal and interest combined) per member in each credit union. Deposits held in different branches of the same credit union are not separately insured.

### Separate Protection

DICO provides separate protection for deposits held in joint accounts and trust accounts. All deposits in registered savings plans are all fully insured.

### • Joint Deposits

Deposits you own with someone else are insured separately from deposits in your own name, provided the records of the credit union identify the name and address of each joint owner.

The maximum insurance protection for deposits having the same joint owners at each credit union is \$100,000 (held jointly, not per individual owner).

### • Trust Deposits

Deposits held in trust accounts are insured separately from deposits owned by the trustee or the beneficiary. The records of the credit union must identify:

- that the deposits are held in trust;
- the name and address of the trustee(s);
- the name and address of the beneficiary(ies).

If a trust deposit has more than one beneficiary, the portion owned by each beneficiary must be identified on the credit union's records. Each beneficiary's portion is insured up to \$100,000. Eligible deposits having both the same trustee and the same beneficiary are combined and the total is insured to a maximum of \$100,000.

### • Registered Savings Plans

Deposits held in registered savings plans are separately insured from the deposits held in other accounts. All deposits made to registered savings plans are fully insured with no limit on the maximum amount. Registered Savings Plans include RRSP, LIRA RRIIF, LIF, RESP (Registered Educational Savings Plan), RDSP (Registered Disability Savings Plan), and TFSA (Tax Free Savings Account).

## Who Is Covered?

The following examples show how deposit insurance applies to eligible deposits.

Depositor	Details	Amount	Insured	Not Insured (with Explanation)
Rachel	Savings Accounts	\$ 25,000	\$ 100,000	\$ 8,000 <i>Note: Deposits in excess of \$100,000 are not insured.</i>
	Chequing Accounts	\$ 3,000		
	Term Deposits	\$ 80,000		
		\$ 108,000		
Rachel, RRSP	Term Deposits	\$ 110,000	\$ 190,000	\$ 15,000 <i>Note: Deposits in registered savings are separately insured with no maximum limit. Mutual funds are not insured.</i>
	Index-linked Term Deposits	\$ 80,000		
	Mutual Funds	\$ 15,000		
		\$ 205,000		
Rachel, held in trust for Alicia & Bob (equally)	Term Deposits (in a trust account)	\$ 180,000	\$ 180,000	\$ 0 <i>Note: Each beneficiary's portion is separately insured up to \$100,000.</i>
John	Chequing Accounts	\$ 2,000	\$ 27,000	\$ 5,000 <i>Note: Foreign currency accounts are not insured.</i>
	Term Deposits	\$ 25,000		
	Foreign Currency Savings Accounts	\$ 5,000		
		\$ 32,000		
Rachel and John, jointly	Savings Accounts	\$ 30,000	\$ 100,000	\$ 35,000 <i>Note: Joint accounts are separately insured up to \$100,000 from deposits held in the names of the individuals.</i>
	Term Deposits	\$ 105,000		
		\$ 135,000		
John and Mike, jointly	Savings Accounts	\$ 100,000	\$ 100,000	\$ 0 <i>Note: Joint accounts are separately insured up to \$100,000 for different combinations of joint owners.</i>

This document contains general information and is not intended to be a legal interpretation of Ontario provincial legislation respecting deposit insurance. For further details of deposit insurance coverage, please refer to our web site at [www.dico.com](http://www.dico.com), the *Credit Unions and Caisses Populaires Act, 1994*, Section 180 and DICO By-law #3.